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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/771,135	01/27/2001	Stephen D. Messer	1776-015	6726
9629	7590	07/08/2004	EXAMINER	
MORGAN LEWIS & BOCKIUS LLP 1111 PENNSYLVANIA AVENUE NW WASHINGTON, DC 20004			LE, KHANH H	
			ART UNIT	PAPER NUMBER
			3622	

DATE MAILED: 07/08/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/771,135

Applicant(s)

MESSER ET AL.

Examiner

Khanh H. Le

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 1/27/01
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-49 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-49 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |                                                                                                                        |                                                                                         |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                            | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____                                                |

### **Detailed Action**

1. This Office Action is in response to the original application. Claims 1-49 are now pending. Claims 1, 13, 17, 21, 24, 36, 40, 47, 48, 49 are independent.

### **Double patenting**

2a. Applicant is advised that should claim 1 be found allowable, claim 8 will be objected to under 37 CFR 1.75 as being a substantial duplicate thereof. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k).

### **Claim Objections**

2b. Claims 40 and 44 are objected to : it seems there is a typographical error. "said method " in the preamble should be 'said system' to be consistent with the rest of the claims.

### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. **Claims 13, 18-20, 24, 31, 42 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 13 is confusing with respect to the emboldened phrases as shown below.  
Questions re. these phrases follow :

Claim 13 states(Paragraph designations are added for ease of discussion) :

“A method of compensating sources who refer network-connected users to, and among, a group of e-commerce merchants, said method comprising:

a)providing a plurality of network-accessible primary referral links configured to direct network-connected users from **a source outside said group of e-commerce merchants** to selected ones of said e-commerce merchants in said group of e-commerce merchants;

b) providing a plurality of network-accessible secondary referral links configured to direct network-connected users from e-commerce merchants in said group of e-commerce merchants to other e-commerce merchants in said group of e-commerce merchants;

c) compensating **a primary referral source** in response to completion of an e-commerce transaction at **one of the e-commerce merchants** in said group of e-commerce merchants, where the user who completed said transaction was referred to said e-commerce merchant by a referral link provided by said primary referral source;

d) compensating primary and secondary referral sources in response to completion of an e-commerce transaction at **one of the e-commerce merchants** in said group of e-commerce merchants, where the user who completed said transaction **was referred to said secondary referral source** by a referral provided by said primary referral source, and **said user was referred to said e-commerce merchant** by a referral link provided by said secondary referral source.”

**Questions:**

Art Unit: 3622

At step c), “compensating a **primary referral source** in response...”: Is this the same source as the “**a source outside said group of e-commerce merchants**” above?

At step d), “and **said user was referred to said e-commerce merchant** by a referral link provided by said secondary referral source.”: which “**said e-commerce merchant**” is this one?

Does the same phrase “**at one of the e-commerce merchants**” in steps c) and d) mean the **same e-commerce merchant**?

Appropriate corrections/clarifications is required.

It is interpreted that:

the first “primary referral source” is outside the group of e-commerce merchants;

the “**secondary referral source**” is the **first** e-commerce merchant;

“**said user was referred to said e-commerce merchant** by a referral link provided by said secondary referral source” means the user is referred to the second e-commerce merchant by first e-commerce merchant; and,

“**at one of the e-commerce merchants**” in steps c) and d) mean **different e-commerce merchants**

Claims 18-20, and the parallel claims are all very confusing.

Claims 19, 42 to reach said first e-merchant” should be said second e-merchant to make sense.

Claim 24: It is not clear what “environment” in “a network-based e-commerce environment” means. It is suggested that Applicants amend this term to “process”, “method”, “system” or “apparatus” to make clear which type of claim is involved.

Claim 31 (dependent on claim 24) is incomprehensible.

*"...the commission processing module is further configured to assign compensation to both the affiliate and the enrolled e-commerce merchant by splitting between said affiliate and enrolled merchant a commission equal to that which the affiliate would receive for referring said user directly to said another e-commerce merchant."*

Prior art cannot be applied for this claim. Appropriate correction is required.

### **Claim Rejections - 35 USC § 101**

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. **Claims 24-35 and 40-46 are rejected under this section as claimed inventions directed to non-statutory subject matter.**

Claims 24-35 and 40-46 are non-statutory because they are software ("modules") not claimed as embodied in a computer readable medium and using links that are considered non-functional data only.

### ***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

**7.Claims 1-12 rejected under 35 U.S.C. 102(b) as being anticipated by Bezos et al, US 6029141, herein Bezos.**

**Hereinafter, the following nomenclature will be used for ease of discussion:**

RF is the first referring party providing the first referring link to the first merchant e-site

EM1 is the first merchant e-site providing the second referring link to the second merchant e-site.

EM2 is the second merchant e-site providing the third referring link.

**Summary of the independent claims in the instant application:**

Method claim 1 and its parallel network claim 24 involve compensation of RF and EM1 (i.e. 1<sup>st</sup> and 2<sup>nd</sup> referring parties) for transactions made at EM2.

Method claim 13 involves a larger network with many EM1's and EM2's, with the RF's parties, being outside of the group of e-merchants, compensated for transaction at EM1's ; then EM1's and EM2's are compensated for transactions at EM2's. It is noted that the legal status of the RF's parties, being outside of the group of e-merchants, or not is not determinative of patentability.

Method claim 17 includes the same limitations as claim 13 with links and identifiers of EM1's and EM2's and storing of those links.

Method claim 21 and its parallel system claim 44 involve a user buying at EM1, upsell from EM1 to EM2, buyer buying at EM2, compensate as follows:

if EM1 is the only referring party, all commissions to EM 1. If EM1 owes commissions to another RF then part of commission to EM1 and part to the other RF.

**Thus,**

As to claim 1, 2-5, 6-12

“compensating... when a.. user utilizes the first ..link”, in claims 1, 6-9 is interpreted as “compensating.... if a.. user utilizes the first ..link””. That is the user may never use the first link to reach the 1<sup>st</sup> e-site. Therefore the method steps stop before the compensating step ever has to take place.

The Supreme Court in *Cochrane v. Deener*, 94 U.S. 780, 24 L.Ed. 138, 141 (1876), stated: "A process is a mode of treatment of certain materials to produce a certain result. It is an act, or a series of acts, performed upon the subject matter to be transformed and reduced to a different state or thing."

Here the compensating is potentially never performed, therefore it will not be addressed at this time.

As to providing a first link to reach a first e-site, then the first e-site providing a second link to reach a second e-site from EM1, Bezos discloses such (see at least abstract.)

( It is also admitted art that referrals from one e-site to another are well-known) .

***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.



**9. Claims 13- 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bezos in view of Katz et al., US 6,055,513.**

As to claim 13, 17, 21, 24, 36, 40, 44, 47, 48, 49, Bezos, as shown above, taught a network of affiliates to EM1.

Bezos further teaches links and identifiers of RF's and EM1's and the storing of those links (see at least Fig. 4, 7 and associated text).

Bezos does not specifically disclose EM1 serving as affiliates to EM2's . However Katz discloses upsell from EM1 to EM2, and EM2's compensating EM1's for transactions made at EM2's: (see at least abstract; Fig. 9 and associated text, and excerpt below).

*"... With regard to the billing system, in one aspect of this invention, it is possible to allocate billing 368 for use of the system. For example, if the primary transaction is financed by company A, and an upsell in the economic interest of company B is successfully effected, piggy-backing on the primary transaction of company A, an accord or allocation may be made between company B and company A regarding payment for the services. Typically, company B would make a contribution to company A, or in some manner reduce the cost for company A to conduct the primary transaction. "*

It would have been obvious to one skilled in the art at the time the invention was made to add Katz's teaching of EM2's to Bezos's network of affiliates to allow upsells as taught by Katz.

As to claim 25-28 (dependent on claim 24), Bezos discloses

said merchant enrollment processing module includes a merchant identification module that assigns a unique merchant identifier to each newly enrolled merchant.

a module that provides tracking software for installation at enrolled e-commerce merchants.

said affiliate enrollment processing module includes an affiliate identification module that assigns a unique affiliate identifier to each newly enrolled affiliate.

And said primary referral links each include an affiliate identifier (see at least Figs. 4, 7 and associated text).

As to claim 29,30, 32 (dependent on claims 24, 29, 31)  
said commission processing module and enrollment processing modules are hosted by a network-connected clearinghouse server, separate from said enrolled e-commerce merchants.

Official Notice is taken that it is well-known the distributed nature of networks allow locating any software module on any server desired depending on the system configuration desired. It would have been obvious to one skilled in the art at the time the invention was made to commission processing module is hosted by a network-connected clearinghouse server, separate from any of the affiliates or e-commerce merchants. for advantages cited above.

As to claims 14, 33 (dependent on claim 31), 37  
involving commission splitting assigning **equal shares** of said split commission to said affiliate and said enrolled e-commerce merchants;

as to claims 15, 23, 34, 38, 46 involving  
means for assigning a majority portion of a commission associated with the completion of said e-commerce transaction to said primary referral source and assigning a minority portion of said commission to said secondary referral source; and,

as to claims 16, 22, 35, 39, 45, involving means for assigning a majority portion of a commission associated with the completion of said e-commerce transaction to said secondary referral source and assigning a minority portion of said commission to said primary referral source,

as far as the percentage of commission split, Official Notice is taken that it is whatever is commercially viable in the market place and will be adjusted accordingly. Therefore it would have been obvious to one skilled in the art at the time the invention was made to have equal splits, or greater or less proportions as claimed as desired.

As to claims 18-20, 41-43 Bezos discloses embedding primary and secondary source identifiers associated with any primary referral link in a navigational link used to go to EM1. It would have been obvious to one skilled in the art at the time the invention was made to use that technique taught by Bezos in the Bezos. Katz system and embed first and second source identifiers associated with any primary referral link and secondary referral links in a navigational link used to go to EM2 to allow going to EM2 as taught by Katz.

As to claims 19 and 42 secondary referral processing module directs the user from said first e-commerce merchant to said second e-commerce merchant through a clearinghouse server and stores, at said clearinghouse server, primary and secondary source identifiers associated with any primary and secondary referral links utilized by said user to reach said second e-commerce merchant. . Official Notice is taken that it is well-known the distributed nature of networks allow locating any software module or data on any server desired depending on the system configuration desired. It would have been obvious to one skilled in the art at the time the invention was made to store primary and secondary source identifiers associated with any primary and secondary referral links utilized by said user to reach said second e-commerce merchant at a clearinghouse server for the advantages cited above.

**Conclusion**

10. Prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The Examiner works a part-time schedule and can normally be reached on Tuesday-Thursday 9:00-6:00.

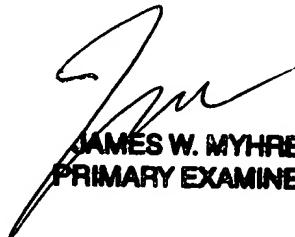
If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113

June 28, 2004

XK V

KHL

  
**JAMES W. MYHRE**  
**PRIMARY EXAMINER**